

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:)	Case No. 12-12020 (MG)
)	
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	Chapter 11
)	
Debtors.)	Jointly Administered
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**STIPULATION AND CONSENT ORDER RESOLVING THE
MOTION OF MICHAEL F. SHEEHAN, II, KOREN M. SHEEHAN,
AND WELLS FARGO BANK’S FOR RELIEF FROM STAY**

WHEREAS, on May 14, 2012 (the “**Petition Date**”), Residential Capital, LLC and its affiliated debtor entities in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), including GMAC Mortgage, LLC (“**GMAC Mortgage**”), filed in this Court voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”);

WHEREAS, the Debtors are managing and operating their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108;

WHEREAS, prior to the Petition Date, GMAC Mortgage held title to property located at 46 Fawn Lane, Queensbury, New York 12804 (the “**Property**”);

WHEREAS, Michael F. Sheehan, II and Koren Sheehan (together, the “**Sheehans**”) subsequently purchased the Property, at the same time granting a mortgage to Wells Fargo Bank, N.A. (together with the Sheehans, “**Movants**”);

WHEREAS, Movants desire to commence a civil action (the “**Action**”) in the Supreme Court of the State of New York, naming GMAC Mortgage as a nominal defendant, for the sole purpose of obtaining reformation of certain deeds and mortgages containing an incorrect designation of lot number in the legal description of the Property;

WHEREAS, on February 22, 2013, Movants filed a motion [Docket No. 3012] (the

“**Motion**”) in the Debtors’ chapter 11 cases seeking relief from the automatic stay to permit them to commence the Action;

WHEREAS, Movants and the Debtors (collectively, the “**Parties**”) have conferred and the Debtors have consented to a limited modification of the automatic stay of Bankruptcy Code section 362(a) pursuant to the terms of, and subject to the conditions set forth in, this stipulation and order (the “**Stipulation and Order**”).

NOW THEREFORE, it is hereby stipulated and agreed as between the Parties to this Stipulation and Order, through their undersigned counsel, that:

1. The automatic stay of Bankruptcy Code section 362(a) shall be modified solely to the extent set forth herein.
2. Movants may commence and prosecute the Action and name GMAC Mortgage as a named defendant solely for the purposes of seeking (i) reformation of the deeds and mortgages listed on Exhibit 1 hereto, and (ii) to quiet title to the Property in the Sheehans, but for no other purpose.
3. Movants shall not assert against the Debtors any claims for monetary damages, or any other equitable relief, in the Action or file a proof of claim in the Debtors’ chapter 11 cases for any damages alleged to have arisen out of the facts and circumstances to be addressed in the Action or with respect to the Property and GMAC Mortgage’s prior interest therein.
4. This Stipulation and Order shall not be deemed to be or constitute a modification of the automatic stay except as otherwise expressly provided herein with respect to Movants. In all other respects, the automatic stay shall remain in full force and effect with respect to any other parties who may be named in or who otherwise intervene in the Action.

5. This Stipulation and Order shall not be modified, altered, amended, or vacated without the prior written consent of all Parties hereto. Any such modification, alteration, amendment, or vacation in whole or part shall be subject to the approval of this Court.

6. This Stipulation and Order is the entire agreement between the Parties in respect of the subject matter hereof.

7. Each person who executes this Stipulation and Order on behalf of a party hereto represents that he or she is duly authorized to execute this Stipulation and Order on behalf of such party.

8. This Stipulation and Order may be executed in multiple counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same instrument.

9. The 14-day stay period under Rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure is hereby waived and this Stipulation and Order shall be immediately effective upon its entry.

10. This Stipulation and Order shall be of no force or effect unless and until it is approved by the Court.

11. This Court shall retain jurisdiction to resolve all matters relating to the implementation of this Stipulation and Order.

Agreed to this 8th day of April, 2013.

<p>GMAC MORTGAGE, LLC</p> <p>By: <u>Norman S. Rosenbaum</u> Gary S. Lee Norman S. Rosenbaum MORRISON & FOERSTER LLP 1290 Avenue of the Americas New York, New York 10104 Telephone: (212) 468-8000 Facsimile: (212) 468-7900</p> <p><i>Counsel for Debtors and Debtors in Possession</i></p>	<p>MICHAEL F. SHEEHAN, II, KOREN SHEEHAN, AND WELLS FARGO BANK, N.A.</p> <p>By: <u>Ronald M. Terenzi</u> Ronald M. Terenzi Michael Kwiatkowski STAGG, TERENZI, CONFUSIONE & WABNIK, LLP 401 Franklin Avenue, Suite 301 Garden City, New York 11503 Telephone: (516) 812-4500 Facsimile: (516) 812-4600</p> <p><i>Counsel for Movants</i></p>
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*Signature Page for Stipulation Between GMAC Mortgage, LLC,
Michael F. Sheehan II, Koren Sheehan, and Wells Fargo Bank, N.A.*

SO ORDERED

Dated: April 12, 2013
New York, New York

/s/Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge

EXHIBIT 1

Mortgages and Deeds Subject to Reformation Request

Defined Term in Proposed Complaint ¹	Counterparties	Document Date
Equicredit Mortgage	Michael Pitts and Elaine Purvis-Pitts, on the one hand, and EquiCredit Corp. on the other hand	July 17, 2000
Referee's Deed	Barry J. Jones, as referee and GMAC Mortgage LLC	November 5, 2008
Sheehan's Bargain and Sale Deed	GMAC Mortgage and the Sheehans	On or about January 15, 2009
Wells Fargo Mortgage	The Sheehans and Wells Fargo Bank, N.A.	January 15, 2009

¹ A copy of the "Proposed Complaint" is attached to the Motion as Exhibit A.